



M E D I A R E L E A S E

STATE OF TENNESSEE
BUREAU OF TENNCARE

FOR IMMEDIATE RELEASE
OCTOBER 2, 2002

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TENNCARE ALLOCATES \$100 MILLION TO HOSPITALS

NASHVILLE, Tenn. – TennCare is allocating \$100 million to 100 hospitals that provided more than 95 percent of the hospital care to TennCare patients. The hospital payments, which will be made quarterly starting in October, were part of the state's new five-year federal waiver that started on July 1, 2002.

The \$100 million in quarterly payments during fiscal year 2003 will be divided among three groups of hospitals:

Safety net hospitals - \$50 million

Children's hospitals - \$5 million

Other essential hospitals- \$45 million

Hospitals eligible for the payments experienced a high volume of TennCare or TennCare unreimbursed costs, are contracted with at least one TennCare managed care organization (MCO) and with TennCare Select, the state's health care plan for special needs children and the back-up health care plan for the TennCare program.

The method of determining individual hospital payments was recommended by actuaries at PriceWaterhouse Coopers, which took input from key stakeholders and analyzed hospital data from the most recent Joint Annual Report of Hospitals including the number of TennCare patients and uncompensated care at the hospitals compared to total patient volume.

The payment schedule has been submitted to the Centers for Medicare and Medicaid Services (CMS) and must meet federal approval before checks are mailed in October 2002.

TennCare is the state's managed care health insurance program for 1.4 million Tennesseans who are poor, disabled or otherwise uninsured.

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